

Introduction and Methodology

Survey Purposes. This report analyzes results from a survey of businesses conducted in the Going-to-the-Sun Road local socioeconomic impact area, which includes Flathead, Glacier, and Lake counties in Montana, and a portion of southwest Alberta. The survey was conducted in July and August of 2001.

This survey has several related purposes. It provides (a) factual information about local businesses that is unavailable from other secondary data sources; (b) perceptual information about business' reliance on tourism and anticipated impacts of rehabilitating Going-to-the-Sun Road (Road), and (c) suggestions regarding mitigation programs, strategies, and actions that can minimize anticipated negative impacts.

Primary Purposes of this Survey

1. Factual information for the forthcoming quantitative analysis of indirect economic impacts.
2. Perceptual information about business' reliance on tourism and Going-to-the-Sun Road rehabilitation impacts.
3. Recommended mitigation strategies.

Information about the business itself, perceived reliance on tourism, and perceived business impacts during Road rehabilitation will be helpful in quantifying the direct and indirect impacts of Road rehabilitation alternatives; this analysis will be a part of the forthcoming environmental impact statement. Information about recommended mitigation strategies is a helpful supplement to the visitor development strategies, which are contained in the *Going-to-the-Sun Road Socioeconomic Study*.

The survey instrument contained thirteen questions. It was kept as short as possible while accomplishing the survey objectives in order to minimize respondent inconvenience and mid-survey terminations. As evidence of respondent interest, about 40 percent took time to respond to two open-ended questions, 32 percent provided their names and addresses to be added to a mailing list for more information about the Road rehabilitation project, and 34 percent requested survey results.

Methodology. The survey instrument, which is presented in Appendix A, was drafted in the fall of 2000 and reviewed by the National Park Service (NPS) staff for consistency with its objectives. The survey approvals process by NPS headquarters and the US Office of Management and Budget extended from October 2000 through June 2001.

The survey was conducted via mail-out / mail-back. The respondent universe consisted of all businesses in Flathead, Glacier, and Lake counties in Montana, and the communities of Warterton, Cardston, Fort McCloud, and Pincher Creek in Alberta, Canada. For purposes of this analysis, “businesses” included for-profit firms, non-profit organizations, and agencies engaged in public administration.

The vendor providing business names, InfoUSA, supplied a list of 8,226 businesses in the local impact area. Accounting for an average seven percent undeliverable rate, it is estimated that 7,650 businesses received the survey instrument with a return envelope addressed to the National Park Service in West Glacier.

The survey was mailed out in the latter part of June and the first part of July. Several weeks later, a reminder notice with a replacement survey was mailed. Each survey envelope and questionnaire was stamped with a unique identification number so that duplicate surveys could be (and were) eliminated from the sample.

In addition, a field trip was conducted in mid-July to bolster participation among businesses on two Native American Indian reservations within the local impact area. It was anticipated that these businesses would be under-represented in the database provided by InfoUSA and a supplemental effort to bolster response was appropriate.

As of this writing, 1,515 surveys have been returned to the NPS. This comprises a response rate of 20 percent. Because it was necessary to cut off receipt of surveys to complete this report for the Advisory Committee’s review, 1,298 survey responses have been analyzed as part of this report.

Content. This document summarizes key findings from the survey. The survey instrument is provided in Appendix A. Cross-tabulations for each survey question are presented in Appendix B. The report is presented in the following sections:

- Introduction and Methodology
- Overview of Key Survey Results
- Description of Business Respondents
- Dependence on Visitors
- Going-to-the-Sun Road Impacts
- Mitigation Strategies
- “Any Other Comments”
- Analysis of Nonresponse
- Appendix A: Survey Instrument
- Appendix B: Tabular Survey Results

Overview of Key Survey Results

Description of Businesses in the Local Impact Area

- **Industrial Sectors.** The two largest sectors in terms of number of businesses, the retail trade and services sectors, comprise more than 60 percent of all businesses in the local impact area. The distribution of businesses within the local impact area is quite similar to the distribution of survey respondents. No industrial sector is significantly over- or under-represented. Sectors that are slightly over-represented in the survey include the retail trade and finance/insurance/real estate. Sectors that are slightly under-represented include agriculture, construction, transportation/communications/utilities, and public administration.
- **Longevity.** Business respondents have operated in the local area for an average of 21 years. There is no strong correlation between years in operation and anticipated impacts from rehabilitation of Going-to-the-Sun Road.

87% are locally owned
82% operate from one location
- **Business Locations and Ownership.** More than 80 percent of business respondents operate from a single location; more than 87 percent are locally-owned. Generally, locally-owned businesses perceived more negative impacts

from the potential Going-to-the-Sun Road rehabilitation project than non-locally owned businesses.

Year-round, local businesses employ an average of 14 people. During the tourist season, businesses add an average of 13 full-time and 7 part-time workers.

- **Employment.** Business respondents employ an average of fourteen full-time permanent workers. During the tourist season, respondents, on average, add thirteen full-time and seven part-time workers. Among retailers, tourist season employment is more than double year-round employment. Among lodging operators, tourist season employment is three times more than year-round employment.

- **Historic Revenues.** Sixty-four percent of the respondents report that revenues increased during the last five years; revenues decreased for twelve percent; and revenues remained flat for 24 percent. Businesses that anticipate the largest negative impact from the Road rehabilitation project generally have a poorer revenue history than others.
- **Annual Gross Revenues.** About one-third (32 percent) of the business respondents had gross revenues of \$100,000 or less. About one-third (32 percent) had gross revenues exceeding \$500,000, including five percent with revenues exceeding \$5 million. Generally, low grossing businesses anticipate a more significant negative impact during construction than high grossing businesses.
- **Business Dependence on Visitors.** Respondents report that an average of fourteen percent of their annual revenues are directly attributable to visitors; about 60 percent of this impact occurs in the summer months (June, July, and August). Lodging respondents report that 66 percent of their annual revenues are attributable to visitors and 80 percent of visitor-generated revenues occur in the summer months.

During Road rehabilitation, 37% anticipate a negative impact; 63% do not anticipate a negative impact

Going-to-the-Sun Road Impacts. Thirty-seven percent of the businesses surveyed expect that they will experience a negative gross revenue impact during Going-to-the-Sun Road rehabilitation; 63 percent anticipate no negative impact.

- **Businesses expecting a negative impact** tend to be either in the retail trade sector or in the lodging portion of the services sector, are locally-owned, generate

higher gross revenues than average, and recently experienced declining revenues.

- ***Businesses not expecting a significant negative impact*** are in the agriculture, mining, and construction sectors and have more than one location.
- ***Businesses expecting the strongest negative impact*** tend to be locally-owned and in the services sector, grossing less than \$100,000, with recently declining revenues. Lodging establishments are the most negatively impacted.

<u>Businesses expecting a negative impact</u>	<u>Businesses not expecting a significant negative impact</u>	<u>Businesses expecting the strongest negative impact</u>
<ul style="list-style-type: none"> • retailers • lodging establishments • locally-owned • higher than average revenues • recently declining revenues 	<ul style="list-style-type: none"> • agriculture, mining, and construction • have more than one location 	<ul style="list-style-type: none"> • lodging establishments • others in the services sector • locally-owned • gross less than \$100,000 • recently declining revenues

Among all businesses that anticipate a negative impact, 61 percent expect the impact to be 25 percent or less and 39 percent expect the impact to be greater than 25 percent.

A substantial majority (58 percent) expects that the Road rehabilitation activity itself will have no impact on their revenues. However, 32 percent anticipate a negative impact and ten percent anticipate a positive impact. Businesses in the wholesale and manufacturing sectors anticipate a positive impact from construction activity.

After construction, 41 percent of businesses anticipate a positive impact on their revenues and 57 percent anticipate a neutral impact. Only two percent anticipate a negative impact after rehabilitation.

After rehabilitation,
41% expect a positive impact,
57% expect a neutral impact and
2% expect a negative impact on revenues.

Sector-By-Sector Responses. This section highlights remarks by businesses in the retail trade and services sector since these are expected to be the most heavily impacted by the proposed Going-to-the-Sun Road rehabilitation project.

- **Retail Sector.** Twenty-two percent of businesses in the local socioeconomic impact area are retailers; 27 percent of the respondents are retailers. On average, retailers employ nine full-time year-round workers plus eight full-time tourist season workers and five part-time tourist season workers. Fifty-seven percent of the retailers anticipate a negative impact from Going-to-the-Sun Road rehabilitation. Fifty-five percent anticipate a positive impact after the project is complete.
- **Services Sector.** Thirty-nine percent of businesses in the local impact area and 40 percent of the survey respondents are in the services sector. This sector includes lodging, professional services such as legal and medical care, and many small personal services businesses such as beauty shops and shoe repair. On average, services sector respondents employ fourteen full-time year-round workers plus 20 full-time tourist season workers and ten part-time tourist season workers. There is a high proportion of services sector firms earning \$100,000 or less; more than 90 percent are locally-owned.

Thirty-five percent of the services sector respondents anticipate a negative impact from the proposed Going-to-the-Sun Road rehabilitation project; 39 percent anticipate a positive impact after construction.

Lodging, which is a portion of the services sector, is expected to be the most significantly impacted. Ninety percent of the lodging respondents anticipate a negative impact during Road rehabilitation. Among these, 27 percent expect a reduction in business of between 26 and 50 percent; 46 percent expect a reduction of more than 50 percent.

Mitigation (Visitor Development) Strategy. A significant proportion of respondents took time to write out their own mitigation strategy recommendations: 470 respondents provided 682 responses. This query was purposely drafted in an unstructured or open-ended fashion to solicit as broad a range of ideas as possible and to use the results as a “test” against the set of visitor development strategies developed by the local tourism and economic development specialists earlier in the year. (These are summarized in the *Going-to-the-Sun Road Socioeconomic Study*, August 2001.)

Even given the unstructured format, there was substantial concurrence on a number of remarks. The top 20 most frequent types of responses are highlighted below in descending order.

Table 1: Top 20 Mitigation Recommendations
(in descending order of frequency)

Remark	%
1. Use the media. Remarks: send positive messages; never say closed; the Road is open	17%
2. Market other areas within the park.	13%
3. Work quickly. Remarks: "move quickly," "do it now," "work 24 hours a day," "close the Road and finish fast."	11%
4. Market other areas outside of the park.	9%
5. Leave a portion of the Road open during construction.	9%
6. Use construction activity as a visitor attraction. Remarks: set up a construction viewing station, offer videos and talks, sponsor construction tours.	8%
7. Close one side of the Road (up to Logan Pass) at a time.	7%
8. Improve public transit.	7%
9. Construct at night.	6%
10. Close one-half of the Road at a time.	5%
11. Construct in the spring and fall only.	5%
12. Make the Road improvements (no further detail provided).	4%
13. Improve North Fork Road.	4%
14. Allow transit only on Going-to-the-Sun Road.	3%
15. Provide financial aid to businesses.	3%
16. Provide accurate information.	2%
17. Preferential use of bicycles. Remarks: add a bike lane, one day a week for bikes only.	2%
18. Build / add other attractions within the park.	2%
19. Improve other roads through the park.	2%
20. Remove / reduce park entrance fees.	2%

The lodging respondents, who expect to be most heavily impacted, underscored use of the media. Thirty percent referenced the need for positive marketing and advertis-

ing that delivers the message: the park is open and accessible. Fourteen percent encourage the NPS to leave a portion of the Road open at all times.

Other Open-Ended Comments. In an effort to capture all messages that the business community would like to contribute, space was provided on the questionnaire for “any other comments.” Over 500 respondents provided 675 remarks. In many instances, respondents used this space to continue their remarks about mitigation strategies. The top ten remarks are highlighted below.

Table 2: Top Ten “Other Comments”
(in descending order of frequency)

Remark	%
1. Make the improvements; they are needed (general remark).	23%
2. “Do it now.”	7%
3. Generate positive media: “The park is open for business” message	7%
4. Short-term downturn and long-term gain	6%
5. Negative business impact during construction	6%
6. Build quickly.	5%
7. Honor the historic attributes of the Road.	5%
8. There is no impact to me.	4%
9. Close the Road and construct quickly.	4%
10. Leave the Road open during construction.	4%

Description of Business Respondents

This section compares the types of businesses in the local impact area (Flathead, Glacier, and Lake counties plus a portion of southwest Alberta) with the types of businesses that responded to the business survey, and provides responses to a series of five questions regarding the location (Q1), ownership (Q2), business trends (Q4) and size, measured in jobs (Q3) and gross revenues (Q5). Responses to these questions will be most helpful as the indirect economic impacts are quantified, which will be a part of the forthcoming environmental impact statement.

As described in Table 3, the distribution of businesses by standard industrial classification (SIC) in the local impact area is similar to the distribution of businesses that responded to the survey.

- The services sector, which includes lodging, medical, legal, educational, and personal services, is the largest sector in the impact area and contains 39 percent of all businesses. Forty percent of the survey respondents are in the services sector.
- Retail trade comprises the largest sector, measured by number of businesses. Twenty-two percent of businesses are in the retail trade sector in the local impact area. Twenty-seven percent of the respondents are in the retail trade sector.
- Sectors that are slightly over-represented in the survey include retail, and finance/insurance/real estate. Sectors that are slightly under-represented include agriculture, wholesale trade, and the public sector.

Table 3: Businesses by SIC Category

SIC Code	In Area	In Survey
Agriculture	4%	2%
Mining	1%	1%
Construction	10%	8%
Manufacturing	4%	4%
TCU (1)	5%	3%
Wholesale Trade	4%	4%
Retail Trade	22%	27%
FIRE (2)	7%	9%
Services	39%	40%
Public Administration	4%	2%
Total	100%	100%
Number	8,226	1,298

(1) Transportation, Communications, and Utilities

(2) Finance, Insurance, and Real Estate

Since a primary purpose of the business survey is to solicit information about potential impacts from Going-to-the-Sun Road rehabilitation, it is helpful to receive an over-representation of responses in the retail trade sector, because businesses in this sector are more likely to be impacted by the Road construction activity than businesses in other sectors.

Number of Years Operating	
<u>Response</u>	<u>% of Responses</u>
Less than 6	17%
6 to 10	19%
11 to 15	13%
16 to 20	13%
21 or more	<u>38%</u>

Number of years that (your) business has been operating in the County or Province.

Business respondents have been in operation for an average of 21 years. About one-third (36 percent) of the businesses have been operating for ten years or less including seventeen percent that have been operating for five years or less. Twenty-six percent have been operating for between eleven and 20 years and 38 percent have operated for more than 21 years.

- **Potential Impact from Road Construction.** There is no strong relationship between the number of years in operation and anticipated negative impacts from Road construction. In fact, among the firms expecting a negative impact of 50 percent or more, only twelve percent have been in business for five years or less.
- **Industrial Sector.** The average number of years in operation does not differ substantially among business sectors, excluding public administration. Some exceptions are in the construction sector, where the average is eighteen years; in transportation/communications and utilities, where the average is 24 years, and; in public administration, where the average is 48 years.

Still, within the two sectors anticipating the largest negative impact from construction (retail and services) there are many relatively new firms. Twenty percent of the businesses in the services sector and eighteen percent of the businesses in the retail sector have been in operation for less than five years.

Number of Business locations (Q1)?	
<u>Response</u>	<u>% of Responses</u>
Single Location	82%
Multiple - MT Only	12%
Multiple – Alberta Only	1%
Multiple – Other	<u>5%</u>
Total	100%

Q1. Please provide the number of locations of your business.

Responses to this question are particularly useful when quantifying the indirect economic effects. If a substantial proportion of businesses are single-location firms, then any local economic impact will be more pronounced on the business than if the local establishment is part of a larger regional or national organiza-

tion. More than 80 percent (82 percent) of the respondents operate from a single location.

- **Potential Impact during Road Construction.** Among the more than 50 percent of businesses that anticipate a negative revenue impact from Going-to-the-Sun Road rehabilitation activity, 83 percent operate from a single location.
- **Industrial Sector.** Businesses less likely to have a single location are those engaged in the mining, FIRE (finance, insurance, and real estate) and wholesale trade.
- **Volume of Gross Revenues.** Among the smaller businesses that gross less than \$100,000, 93 percent have a single location.

Q2. Please indicate the type of business ownership.

Responses to this question are also particularly helpful when quantifying indirect economic effects. If the business ownership is outside of the local impact area, then profits (and losses) are experienced outside the impact area

and the local impact is confined to employment increases (or decreases). In contrast, if businesses are locally owned, then any positive or negative impact will occur locally in terms of both employment and profit/loss. Eighty-seven percent of the respondent businesses are locally owned.

Type of Business Ownership (Q2)	
<u>Response</u>	<u>% of Responses</u>
Locally Owned	87%
Ownership in MT or Alberta	4%
Ownership outside MT or Alberta	3%
Other	6%
Total	100%

- **Potential Impact During Road Construction.** There is no apparent statistical difference in ownership between those who anticipate an impact on revenues from Road construction (88 percent) and those that do not anticipate a revenue impact from Road construction (86 percent).
- **Business Location.** Seventy-eight percent of businesses are locally owned in southwest Alberta, a slightly smaller proportion than for the entire United States (88 percent).

- **Volume of Gross Revenues.** Among those grossing less than \$100,000 annually, 94 percent are locally owned. Among those grossing \$500,000 or more annually, 76 percent are locally owned.

Local Employment (Q3)	
<u>Response</u>	<u>Average No. of Employees</u>
Full-Time, permanent, year-round	14
Full-Time during tourist season	13
Part-Time during tourist season	7
Other	7

Q3. Using the calendar year 2000 as an example, approximately how many of the following types of employees (including yourself) did your business employ?

Responses to this question are particularly helpful in developing an accurate understanding of local business impacts during the tourist season.

Many secondary data sources exclude estimates of part-time or seasonal workers and can lead the analyst to conclusions that may understate impacts.

Business respondents average fourteen full-time, permanent, year-round employees plus an additional thirteen full-time employees (54 percent) during the tourist season, plus seven part-time employees during the tourist season and seven “other” employees. “Other” includes commissioned sales staff, temporary employees, entrepreneurs and others who do not work regular hours. (One respondent with 9,999 employees has been excluded from calculations to this question because the large size distorts the results.)

These averages vary significantly from sector to sector. The sectors with a high proportion of tourist season employees, such as retail and portions of the services sector, are also the sectors that anticipate the largest economic impact from Road construction activity. This has implications for the mitigation strategy.

- Retailers average nine full-time permanent, year-round employees. During the tourist season, they more than double their staff by adding an average of eight full-time employees plus five part-time employees.
- Service sector businesses average fourteen full-time permanent, year-round employees, plus 20 full-time tourist season employees and ten part-time tourist season employees. This sector includes lodging, and a wide range of business services whose primary market is tourists. The lodging respondents employ an

average of twelve full-time permanent workers, plus 26 full-time workers during the tourist season, plus ten part-time workers during the tourist season.

- Businesses engaged in manufacturing, finance/insurance/real estate and whole-sale trades hire proportionately fewer part-time or tourist season employees than other sectors.
- Firms engaged in agriculture, forestry, and fishing employ an average of four full-time, permanent year-round workers, plus an average of sixteen full-time, plus 25 part-time workers during the summer (tourist) months.

Q4. Over the last five years, have your gross revenues increased, decreased, or remained the same?

Sixty-four percent of the respondents said that their gross revenues have increased over the last five years; twelve percent said their revenues had decreased and 24 percent said their revenues had remained the same.

Gross Revenues Over the Last Five Years (Q4)	
<u>Response</u>	<u>% of Total</u>
Increased	64%
Decreased	12%
Remained About the Same	<u>24%</u>
Total	100%

This information is helpful when preparing the environmental impact statement. Businesses that enjoy increasing revenues may be better equipped to weather a temporary reduction in business than businesses that have flat or declining gross revenues.

- **Potential Impact During Road Construction.** Businesses expecting a negative revenue impact of more than 50 percent have generally had a worse revenue history than others. Among these businesses, about half (54 percent) have experienced increasing sales, 25 percent have experienced decreasing sales, and 21 percent have had flat sales activity. In contrast, among businesses expecting an impact of less than ten percent, 75 percent have experienced increasing sales, twelve percent have experienced decreasing sales, and thirteen percent have had flat sales activity.
- **Industrial Sector.** Among retailers, 61 percent reported increasing sales, sixteen percent reported decreasing sales, and 24 percent reported flat sales. Among businesses in the services sector, 64 percent reported increasing sales, eleven percent reported decreasing sales, and 25 percent reported that sales have been

flat. Sectors with the highest proportion of businesses reporting increasing sales are in agriculture, mining, and FIRE. Sectors with the highest reports of decreasing sales include TCU (transportation, communications and utilities), public administration, and retail.

- **Business Location.** Businesses in Flathead County generally report better historic sales activity than businesses elsewhere. In Lake County, 48 percent report increasing sales and 21 percent report decreasing sales.

Annual Gross Revenues for 2000 (Q5)

<u>Response</u>	<u>% of Respondents</u>
Less than \$50,000	17%
\$50,000 to \$99,000	15%
\$100,000 to \$499,999	36%
\$500,000 to \$999,999	11%
\$1,000,000 to \$5,000,000	16%
More than \$5,000,000	5%
Total	100%

Q5. Please indicate your business' approximate annual gross revenues for 2000.

About one-third (32 percent) of the business respondents had gross revenues of \$100,000 or less; just over one-third (36 percent) had revenues of between \$100,000 and \$500,000; about one-third (32 percent) had revenues of more than \$500,000, including five percent with revenues of more than \$5,000,000.

- **Potential Impact During Road Construction.** Lower gross-revenue businesses anticipate a more significant negative impact during construction than higher gross-revenue businesses. Among those earning \$100,000 or less, 52 percent expect a negative construction impact to their business of 50 percent or more.
- **Industrial Sector.** Mining, transportation, communications, and utilities and wholesale trade have the highest proportions of businesses earning more than \$5 million annually. The service sector tends to have the highest proportion of businesses earning \$100,000 or less. The services sector includes many personal services such as beauty salons, shoe repairs, and dry cleaners.
- **Business Location.** Glacier County tends to have a higher proportion of small firms (37 percent gross less than \$100,000). Southwest Alberta tends to have a lower proportion of small firm (24 percent gross less than \$100,000.)

Dependence on Visitors

A set of three questions was asked to gain a better understanding of the dependence of local businesses on tourists or visitors. The first question (Q6) asked about the percent of annual revenues earned in each season. Follow-up questions were asked regarding the percent of gross revenues that tourists generate directly (Q7) and indirectly (Q8), by season.

Responses to these questions will be used in the environmental impact statement to quantify the direct and indirect economic impacts of the Road rehabilitation alternatives.

Q6. On average, what percent of your annual gross revenues are earned in the following seasons?

Responses to this question will be particularly helpful in the environmental impact statement as a supplement to secondary data sources that are only available on an annual basis. The figures reflect average responses for each season. Respondents report that an average of 20 percent of their gross revenues are earned in the winter months, 22 percent are earned in the spring, 36 percent are earned in the summer, and 22 percent in the fall.

Gross Revenues By Season (Q6)
(averages by season)

<u>Season</u>	<u>Average Revenues</u>
Winter (Dec., Jan., Feb.)	20%
Spring (Mar., Apr., May)	22%
Summer (June, July, Aug.)	36%
Fall (Sept., Oct., Nov.)	<u>22%</u>
Total	100%

Figures recalculated to total 100%;

- **Potential Impact during Road Construction.** Respondents anticipating a negative impact of more than 50 percent are also those who earn a substantial amount (69 percent) of their revenue during the summer months.
- **Industrial Sector.** It is surprising that the differences between sectors are not significant. For example, in the retail and the services sector, 39 percent of revenues are earned in the summer months. Lodging, a portion of the service sector, is an exception; 70 percent of revenues are earned in the summer months.

- **Business Location.** There is no appreciable difference in the seasonal distribution of revenues based on location of the business.
- **Volume of Gross Revenues.** Smaller businesses (\$100,000 or less in gross revenues) tend to earn a greater percentage of their revenue in the summer months than larger businesses. These businesses earn forty percent of gross revenues in the summer months.

**% Revenues Generated from Visitors in a
Direct Manner (Q7)**

<u>Season</u>	<u>% Revenues</u>
Winter (Dec., Jan., Feb.)	7%
Spring (Mar., Apr., May)	9%
Summer (June, July, Aug.)	24%

Q7. In your judgment, what percent of your business' gross revenues do tourists or visitors generate in a direct manner during each season? (A direct manner might include visitors purchasing your product or service.)

Responses to this question and question 8 are based on the respondent's perception. These responses will be compared with

the more rigorous quantitative analysis in the forthcoming environmental impact statement.

Not only do respondents earn more revenue in the summer months, but a larger portion of their summer month revenues are attributable to visitors. Respondents attribute an average of seven percent of their winter revenues to visitors, nine percent of spring revenues to visitors, 24 percent of summer revenues to visitors, and ten percent of fall revenues to visitors.

Combining responses to questions 6 and 7, respondents report that on average, fourteen percent of their annual revenues are attributable to visitors. About 60 percent of this total is earned in the summer months.

- **Potential Impact During Road Construction.** Businesses that anticipate a negative impact of more than 50 percent attribute 81% of their summer revenues to visitors. Those that anticipate no negative impact attribute only seven percent of their summer revenues to visitors.
- **Industrial Sector.** As expected, retailers attribute more of their revenues to visitors than others. Retail respondents attribute 30 percent of their summer revenues and eighteen percent of their annual revenues to visitors. Businesses in the service sector attribute 28 percent of their summer revenues to visitors. Lodging

operators (a portion of the service sector) attribute 82 percent of their summer revenues and 66 percent of their annual revenues to visitors.

Sectors attributing a relatively low proportion of revenues to visitors include those in agriculture, mining and construction. It is interesting that those in the TCU (transportation/communications/utility) sector attribute 26 percent of their summer revenues to visitors.

- **Location.** Businesses located in Lake County tend to attribute slightly more summer gross revenues to visitors (28%) than businesses in other counties (22% to 24%).
- **Volume of Gross Revenues.** Smaller businesses earning \$100,000 or less in gross revenues tend to attribute more of their sales activity to visitors than larger businesses. This is correlated with the sectors (retail and services) that tend to have smaller volume businesses.

Q8. In your judgment, what percent of your business' gross revenues do tourists or visitors generate in an indirect manner during each season? *(An indirect manner might include supplying products or services to businesses, like motels, that serve visitors, or to seasonal employees that serve visitors.)*

% Revenues Generated from Visitors in an Indirect Manner (Q8)

<u>Season</u>	<u>% Revenues</u>
Winter (Dec., Jan., Feb.)	7%
Spring (Mar., Apr., May)	8%
Summer (June, July, Aug.)	16%
Fall (Sept., Oct., Nov.)	8%

Question 8 asks respondents to estimate the amount of gross revenues visitors generate in an indirect manner. This is a companion to question 7, which queried respondents about revenues attributable to visitors in a direct manner.

We cannot be certain as to whether the respondent clearly understood how to distinguish direct from indirect economic impacts. This is a subtle distinction. The question was asked in case the respondents underestimated direct impacts.

If the respondents understood that direct and indirect impacts are additive, then combining the results of questions 6, 7, and 8 suggests that on average, 25 percent of annual business revenues are attributable to visitors and 58 percent of these revenues are generated during the summer. We suggest that the reader not place sub-

stantial weight on these calculations because the respondent might not have understood how the responses could be used.

Going-to-the-Sun Road Impacts

Respondents were asked a series of three questions that focus directly on the potential impact of Going-to-the-Sun Road rehabilitation. They were asked if their gross revenues might be negatively impacted during construction (Q9), how much their revenues might be impacted (Q10), if construction activity itself will have an impact on gross revenues (Q11), and the impact after construction (Q13).

Negative Gross Revenue Impact During Construction? (Q9)

<u>Response</u>	<u>% Respondents</u>
Yes, Likely	33%
No, Unlikely	56%
Don't Know	<u>11%</u>

Q 9. The National Park Service is considering undertaking substantial rehabilitation of Going-to-the-Sun Road. Going-to-the-Sun Road extends through Glacier National Park and is the only road that provides access to Logan Pass. In your opinion, will your businesses' gross revenues be negatively impacted during Going-to-the-Sun Road rehabilitation?

One-third of the respondents anticipate a negative impact on their gross revenues, 56 percent do not expect a negative impact and eleven percent don't know. Among those providing a yes/no response, 37 percent anticipate a negative impact and 67 percent do not.

- **Industrial Sector.** Among those providing a yes/no response, more than half (57 percent) of the respondents in the retail sector and 44 percent in the TCU sector anticipate a negative impact to their gross revenues. Among the businesses in the services sector, only 35 percent anticipate a negative impact. However, among lodging establishments, which comprises a portion of the service sector, 90 percent of those providing a yes/no response anticipate a negative impact from the Road rehabilitation project. Agriculture, mining, and construction are least likely to expect a negative impact.
- **Business Location.** Among those providing a yes/no response, a high proportion of businesses in Lake County anticipate a negative impact (54 percent) rela-

tive to businesses in Flathead County (38 percent), Glacier County (27 percent), or southwest Alberta (29 percent).

- **Volume of Gross Revenues.** Businesses with higher gross revenues were more likely to anticipate a negative impact from Road construction. Among those providing a yes/no response, 33 percent of businesses with revenues under \$100,000 anticipate a negative impact; 39 percent of businesses with revenues between \$100,000 and \$400,000 anticipate a negative impact and 42 percent of businesses with revenues of more than \$500,000 anticipate a negative impact.

Q10. Please estimate the percent of your gross revenues that might decrease in a year in which Going-to-the-Sun Road is being rehabilitated. (Respondents who answered “yes” to Q9.)

Responses to this question measure the anticipated intensity of impact from Road construction. Respondents who said “yes” (Q9) they anticipate a negative impact on gross revenues due to Going-to-the-Sun Road construction were asked to quantify their anticipated impact (Q10). They were provided five multiple-choice responses, which are listed in the table above.

Amount of Gross Revenue Impact (Q10)
(Respondents to answered “yes” to Q9)

<u>Responses</u>	<u>% of Respondents</u>
None	2%
1% to 10%	26%
11% to 25%	33%
26% to 50%	25%
More than 50%	14%
Total	100%

Twenty-eight percent anticipate a relatively minor impact of ten percent or less, 58 percent anticipate an impact between ten and 25 percent, 25 percent anticipate a 26 to 50 percent impact, and fourteen percent anticipate an impact of more than 50 percent. This report focuses on the 38 percent who anticipate a relatively significant impact of more than 25 percent.

- **Industrial Sector.** The businesses in the services sector that anticipate a negative impact anticipate that the impact will be significant; among these businesses, nearly half (48 percent) anticipate a significant impact of more than 25 percent.
- **Business Location.** There is no apparent correlation between the amount of impact and the business location.

- **Business Ownership.** Locally-owned businesses anticipate greater impacts than non-locally-owned businesses. Forty-one percent of locally-owned businesses anticipate a negative impact of 25 percent or more; only thirteen percent of non-locally-owned businesses anticipate this level of impact.
- **Volume of Gross Revenues.** Smaller volume businesses anticipate more significant negative impacts than larger volume businesses. Nearly half of businesses grossing \$100,000 or less expect the impact to be more than 25 percent; only 30 percent of businesses grossing \$500,000 or more anticipate impacts greater than 25 percent.

Impact from Road Construction Activity (Q11)		
<u>Responses</u>	<u>% Respondents</u>	<u>% Respondents</u>
Positive Impact, Likely	9%	10%
Neutral – No Impact Likely	52%	58%
Negative Impact Likely	28%	32%
Don't Know	11%	---

Q11. If Going-to-the-Sun Road rehabilitation occurs, there will be substantial road construction activity. How might this construction activity impact your business' gross revenues?

This question probed for information regarding rehabilitation activity. Among those providing a positive, negative, or neutral response, a substantial majority (58 percent) anticipate no impact; ten percent anticipate a positive impact and 32 percent anticipate a negative impact. There is some reason to question whether respondents understood that this question focused on rehabilitation activity itself. The reader should place less weight on responses to this question than on responses to other questions.

- **Industrial Sector.** Businesses in the wholesale and manufacturing sectors tended to anticipate a positive impact. Perhaps these businesses anticipate contractors will use their services. Businesses anticipating a negative impact from construction were in the retail and TCU sectors and the lodging subsector.
- **Business Location.** Lake County businesses were more likely to anticipate a positive impact from construction. Southwest Alberta businesses were more likely to anticipate a negative response.

- **Volume of Gross**

Revenues. There is a slight positive correlation between the gross revenue volume of the business and the likelihood that the business anticipates a positive impact from construction. Seven percent of the small volume (<\$100,000) and twelve percent of the large volume (>\$500,000) businesses anticipate a positive impact from construction.

After-Construction Impact on Gross Revenues (Q13)		
<u>Response</u>	<u>% Respondents</u>	<u>% Respondents</u>
Positive Impact, Likely	36%	41%
Neutral – No Impact Likely	51%	57%
Negative Impact Likely	2%	2%
Don't Know	11%	---
Total	100%	100%

Q13. If Going-to-the-Sun Road is rehabilitated, then, after construction, how might the rehabilitated road impact your businesses' gross revenues?

Among those providing a positive, neutral or negative response, a substantial majority (57 percent) anticipate no impact on their business after construction is complete; 41 percent anticipate a positive impact, and only two percent anticipate a negative impact.

- **Industrial Sector.** More than one half (55 percent) of the retailers anticipate a positive impact after construction and two percent anticipate a negative impact.
- **Business Location.** Businesses in Lake County were most positive about after-construction impacts; 58 percent anticipate a positive impact. Businesses in Glacier County were the least positive about after-construction impacts; 34 percent anticipate a positive impact.
- **Volume of Gross Revenues.** Larger businesses were more positive about after-construction impacts than smaller ones. Among those with revenues under \$100,000, 37 percent anticipate positive impacts after construction; among those with revenues above \$500,000, 48 percent anticipate a positive impact.

Mitigation (Visitor Development) Strategies

Respondents were asked two open-ended questions. The first addressed mitigation strategies that might minimize potential impacts.

Q12. If Going-to-the-Sun Road rehabilitation occurs, some local businesses might be negatively impacted due to fewer visits to Glacier National Park during construction. The Going-to-the-Sun Advisory Committee is working to develop a mitigation strategy that would minimize any potential reduction in visitors. Please help us by suggesting programs, activities, or projects that should be considered to minimize potential impacts. Be as specific as possible.

This question was purposely presented in an open-ended format to encourage respondent initiative and creativity rather than in a closed-end, multiple-choice format. This information is directly beneficial to the Advisory Committee as it completes its mitigation (visitor development) strategy recommendations.

Q12. Type of Response (multiple responses recorded)	
<u>Type of Response</u>	<u>% of Respondents</u>
Road construction management	52%
Marketing	48%
Road travel restrictions	14%
Park Improvements	11%
Business' costs & benefits	9%
National Park Service actions	6%
Other (including non-responsive)	4%
Total	144%
Total is greater than 100% because multiple responses were allowed.	

Over 36 percent (470) of the respondents took the time to provide a handwritten response. Up to two different types of remarks were recorded. These respondents provided 682 responses.

Responses were provided in seven broad categories. In declining order of frequency, the categories are: Going-to-the-Sun Road construction management, marketing, Going-to-the-Sun Road travel restrictions, park improvements, business costs and benefits, National Park Service actions, and "other."

Going-to-the-Sun Road Rehabilitation Management. More than half of the respondents (52 percent) offered a suggestion regarding Road rehabilitation management practices. Eleven percent encouraged speedy construction with remarks such as “move quickly,” “finish quickly,” “work 24 hours a day” and “do it now.” An additional four percent made a more general remark encouraging the NPS to proceed.

A number of respondents made specific suggestions regarding when and how construction should occur. Nine percent encouraged the NPS to leave some portion of the Road open during construction. More specific remarks included, “close one side at a time” (seven percent); “construct at night” (six percent); “close one lane at a time” (five percent); and “construct in the spring or fall” (five percent).

Four respondents (one percent) encouraged the NPS to honor the historic attributes of the Road. Two respondents (less than one percent) suggested that the Road not be improved.

Marketing. Forty-eight percent of respondents offered a marketing suggestion. Seventeen percent recommended particular messages delivered through the media, such as “do not mention closure,” “advertise that the park is open and accessible,” and “send positive messages.”

Thirteen percent recommended marketing other portions of the park not accessed by Going-to-the-Sun Road, and nine percent recommended marketing venues nearby but outside the park boundaries. Eight percent suggested using construction activity

Q12. Road Rehabilitation Responses
(most frequent responses)

<u>Response</u>	<u>% of Respondents</u>
General Remarks:	
Move quickly/ do it now/ 24 hours	
a day / close it and finish fast	11%
General – make the improvements	4%
Specific Types of Restrictions:	
Leave a portion open during const.	9%
Close one side at a time	7%
Construct at night	6%
Close one-half at a time	5%
Construct in spring and fall only	5%

Q12. Marketing Recommendations
(most frequent responses)

<u>Response</u>	<u>% of Respondents</u>
Use the media – positive messages	17%
Market other areas within the park	13%
Market areas outside the park	9%
Use rehabilitation as a visitor attraction	8%

as a marketing asset; their ideas included setting up a viewing station at the rehabilitation site, offering videos and talks, and sponsoring construction tours.

One respondent recommended using the Lewis & Clark Bicentennial and one respondent recommended building after the Lewis & Clark Bicentennial.

Q12. Road Travel Restrictions (most frequent responses)

<u>Response</u>	<u>% of Respondents</u>
Improve public transit	7%
Transit only	3%
Preferential use of bicycles	2%

Going-to-the-Sun Road Travel

Restrictions. Fourteen percent of the respondents offered recommendations regarding travel restrictions on Going-to-the-Sun Road that extend beyond the Road rehabilitation activity. Seven percent recommend improving public transportation on the Road; an additional three percent believe that the Road should be

reserved for transit vehicles only. Two percent of the respondents suggested preferential use of bicycles, including adding a bicycle lane, providing bicycle-only days, and generally promoting bicycle usage. Other types of travel restrictions suggested by one percent or less of the respondents included providing helicopter and airplane tours to alleviate traffic during construction, construction of a monorail, gondola or tram, and minimizing travel stops.

Seven respondents (one percent) want to limit vehicle size and two respondents (less than one percent) want to relax the vehicle size restrictions.

Q12. Park Improvements (most frequent responses)

<u>Response</u>	<u>% of Respondents</u>
Improve North Fork Road	4%
Improve other road access through park	2%
Build/add other attractions	2%
Build new route through park	1%
Trail & campground improvements	1%

Park Improvements. Eleven percent of respondents suggested a physical improvement to Glacier National Park. Four percent (eighteen) of the respondents suggested improving North Fork Road. Two percent made a general suggestion to improve other roads that provide access through the park and two percent suggested building other

(unspecified) attractions. One percent suggested construction of a new route through the park and one percent suggested trail and campground improvements.

Business Costs and Benefits.

Nine percent of the respondents offered a remark about the business community. Three percent of the respondents suggested some form of financial aid; these respondents encouraged the NPS to have proper accountability for the funds and to provide assistance only for those who need it the most. Two percent encouraged providing local businesses with accurate and specific information with which to plan ahead. One percent encouraged the NPS to use local businesses during construction. One percent said that either the business impact was less than people anticipate and/or that financial aid should be minimized.

Q12. Business Costs & Benefits

(most frequent responses)

<u>Response</u>	<u>% of Respondents</u>
Provide financial aid	3%
Provide accurate, specific information	2%
Use local businesses	1%
Impact less than expected; no aid	1%

National Park Service

Actions. Six percent of the respondents offered a suggestion for or remark about the NPS. The most frequent suggestion was to remove or reduce fees during construction; two percent offered this idea. Another two percent suggested adding ranger programs, hikes, and tours. One percent of respondents suggested executing an incentive-based construction contract. One percent told the NPS to “do what’s right for the park itself, not for the local businesses.” A few respondents simply said “thanks” or “good luck.”

NPS Actions

(most frequent remarks)

<u>Remark</u>	<u>% of Respondents</u>
Remove/reduce fees	2%
Add ranger programs, hikes, etc.	2%
Incentive-based construction contract	1%
Do what’s right for the park, not business	1%

“Any Other Comments”

In an effort to capture all messages that the business community wanted to provide, a catch-all question was added at the end of the survey. In many instances, respondents used question 14 as an opportunity to amplify the points contained in question 12.

Q14 Type of Response (multiple responses recorded)	
Type of Response	% of Respondents
Road rehabilitation management	63%
Marketing	15%
Road travel restrictions	9%
Park improvements	1%
Business' costs & benefits	27%
NPS actions	6%
Other (including non-responsive)	12%
Total	133%
Total is greater than 100% because multiple responses were allowed.	

Q14. Please provide any other comments regarding Going-to-the-Sun Road rehabilitation or its potential impact on the local area.

Thirty-nine percent (507) of the respondents provided 675 remarks. This level of response speaks to the strong interest of the local business community in the Going-to-the-Sun Road rehabilitation project.

Responses are organized in the same categories as in Question 12. The percentage of respondents providing a remark in each category is provided at left. Relative to Question 12, which

probed for mitigation strategy suggestions, Question 14 generated substantially more remarks regarding impacts on businesses and fewer remarks regarding travel restrictions, park improvements and marketing.

The top 25 responses to Question 14, “other comments” are summarized in Table 4.

Table 4: Most Frequent “Other Comments”
(% of respondents providing the comment)

Response	%	Response	%
1. Make the improvements	23%	11. Improve public transportation.	4%
2. Do it now	7%	12. Positive impact after rehabilitation	3%

Table 4: Most Frequent “Other Comments”
(% of respondents providing the comment)

Response	%	Response	%
3. Positive media; “park is open” message	7%	13. Close half of the Road at a time	3%
4. Short-term downturn/long-term gain	6%	14. Do not close completely; negative impact	3%
5. Negative business impact during rehabilitation	6%	15. Improve safety features of the Road	3%
6. Build quickly	5%	16. Do it right	2%
7. Honor historic attributes of the Road	5%	17. Market other park areas	2%
8. No impact to me	4%	18. Thanks / Good Luck	2%
9. Close the Road; construct quickly	4%	19. Market areas outside the park	2%
10. Leave the Road open during rehabilitation	4%	20. Use local businesses	2%

Analysis of Nonresponse

The distribution of respondents by industrial sectors is very similar to the distribution of businesses in the local impact area. There are four sectors that are slightly under-represented in the survey results: agriculture, construction, transportation/communications/utilities and public administration. Two sectors are slightly over-represented: retail trade and finance/insurance/real estate.

The overall response rate was 20 percent. Due to the need to cut off incoming surveys to prepare the analysis, the actual count of surveys used in the analysis results in a response rate of seventeen percent. Using the seventeen percent figure as an average, the response rate among counties differs. Two counties are relatively over-represented: Glacier (35 percent response rate) and Flathead (20 percent response rate). Lake County is under-represented; seven percent of businesses responded within the cut-off time period. Southwest Alberta is under-represented, five percent of the businesses responded within the cut-off time period.